

COMMITTEE ON TRAFFIC/PUBLIC SAFETY

November 6, 2002

5:15 PM

Chairman Sysyn called the meeting to order.

The Clerk called the roll.

Present: Aldermen Sysyn, Guinta, Osborne, Garrity, Forest

Messrs: T. Lolicata, D. Lambeck, P. Clemons, J. Karp, E. Crean,
D. Waldecker, K. Dillon

Chairman Sysyn advised that the purpose of the meeting is to hold discussions with representatives of companies responding to the City's RFP for Parking Management which shall be limited to 15 minutes each, five minutes for a presentation followed by ten minutes of questions from members of the Committee. Companies represented are as follows:

- a) Republic Parking (staff recommended);

Mr. David Lambeck stated I am with Republic Parking. I am the Vice President of Marketing and Client Services and this is Parke Clemons, our District Manager for the Northeast and he would be the man directly responsible for the operations here should we be successful. I would just like to thank you for inviting us back and giving us a chance to lay down our case again. We tried to make it very clear in our proposal and in our presentation previously that Republic Parking likes to approach the whole parking management process with municipalities on a partnership basis. That is, we come in and try to work with you to customize a program that meets the goals that are specific to your City. Not every City or municipality has the same goals. Some are customer service. Some are revenue. Some are expense savings. We come in and try to work together with you to achieve what you hope to achieve. Now Republic is certainly not one of the largest companies in the country. We are a nationwide company but we only have approximately 400 management accounts or 400 locations under management, which makes us small and nimble enough to respond to some of our clients with much more personalized efforts. I think that we can demonstrate our success just based largely on the references of our clients and the successes we have had with other municipalities. I know that many of our references have already been contacted and I invite you to talk to any of the clients we have listed in our proposal about our successes and what we have been able to achieve. We have

made a very detailed proposal and a detailed presentation and I am not here to rehash all that again tonight. I would just like to open it up for questions and try to answer any specifics you might have.

Alderman O'Neil stated one of the areas of discussion in our last few meetings has been in the staff recommendation you folks indicated that you would be able to save the City approximately \$100,000 in expenses and also create approximately \$65,000 in new revenues. Can you explain how you would achieve those?

Mr. Lambeck replied I don't recall that Republic ever made a claim that we could save expenses or increase revenues. I believe what we did was we put forward some projections based on what we saw in the parking operation out there and then you took the difference between the numbers and that is what you came up with. We based our expenses on the staffing levels as they currently are and then normal operating expenses that we would expect to incur on a project of a similar size. That was compared, I believe, with a number that we were told was an actual total. I don't have a detailed breakdown of where we can save you a penny here and a penny there. I think that is just how it came out in the end.

Alderman O'Neil stated well this is how it was presented to us anyway, that there was a savings of \$165,000 based on a \$100,000 savings in expenses and \$65,000 in new revenues. So there was no recommendation from you folks on what those new revenues could be?

Mr. Lambeck replied I don't believe we made any revenue projections at all.

Alderman O'Neil asked and you based your budget savings on the current level of 12 employees working the same hours with the garages operating the same hours.

Mr. Lambeck answered that is correct.

Alderman O'Neil asked there were no changes in anything that exists today.

Mr. Clemons stated just for clarification, we were handed basically a bottom line figure and current staffing levels from the Traffic Department and from those figures that is where we came up with our staffing levels. We did not change anything. We just basically staffed it exactly how we were asked to staff it.

Alderman O'Neil asked so the pay of the employees and benefits to the employees is all the same as it is today.

Mr. Clemons answered no. We based our projections, as far as payroll, on the current climate and what we would typically pay in a city the size of Manchester. All we were given were the staffing levels, not pay rates.

Alderman O'Neil asked do you know what your recommended rate of pay is for employees.

Mr. Clemons answered they vary. I think in our proformer they vary from \$6.50 for a cashier to \$7.25 for security and maintenance and then there were salaries for management. I think it was \$30,000 per manager and a little less for an assistant manager. Let me be clear. These numbers, whatever a management contract by definition is that we manage it for the City of Manchester. We have had cities that come in and say we want you to pay our employees \$10/hour. We will comply. This is your money. This is not our money. We are here to serve the City of Manchester based upon your needs and your recommendations. The numbers stay the same. We made some guesses as to electricity. We missed that one. Denise sent me some clarification and I have a new proformer for that. The numbers will be what the numbers are. We are not going to come in here...we cannot manipulate these prices. This is a management contract and the only thing we are competing against other companies with is our management fee and our incentive fees.

Alderman O'Neil asked and your fee is \$21,780.

Mr. Clemons answered correct.

Alderman O'Neil asked so if the current employees there...if you decided to utilize the current employees and they are making significantly higher amounts of money that what is here then that would change that budget savings number.

Mr. Clemons answered that is correct.

Alderman O'Neil asked is it safe to say that there was an assumption that you would start with all new people at the lower rates.

Mr. Lambeck answered no. It was never an assumption. What we would do is, again, abide by your wishes. If you like the employees that are there we would be more than happy to interview in our normal employment process and take them on with us as a new company. However, they may or may not want to stay. They may want to stay with their existing company and move on to a new position. That would all have to come out in the wash after the contract is finished.

Alderman O'Neil asked were you given information on what the current employees are paid.

Mr. Lambeck answered no.

Alderman O'Neil stated so you never knew what that number was even though that number is determined by the City.

Mr. Clemons replied that is correct. We were given a bottom line number as to the total operating budgets for last year. Those were the only numbers we had to work off of.

Alderman O'Neil asked if that number, in fact, was higher, did that change that budget savings then.

Mr. Lambeck answered certainly.

Alderman Osborne asked the \$150,000 that we were talking about at the last meeting, where did that come out of. I remember the \$150,000 figure that we could actually save plus I called up or I asked Central if they could match this particular offer and they said they probably could. Where does this \$150,000 come in?

Mr. Lambeck answered again we are not privy to all of the individual line items in your budget. We would have to go through it line item by line item to see where we could help you make savings. It could be in payroll if the employees are being paid above market rates. It could be in liability insurance. It could be in management fees. It could be in things like professional fees. There are a number of categories that different companies work with.

Alderman Osborne asked so there is nothing concrete right now.

Mr. Lambeck answered I can't give you anything concrete because I haven't seen any concrete information.

Alderman Osborne stated well this \$150,000 figure came from somewhere but I don't remember.

Alderman Guinta stated regarding the current amounts that we pay the employees, maybe Alderman O'Neil or Tom Lolicata could let me know what range we are in right now. Is it around \$10/hour or something like that?

Mr. Lolicata replied I believe it is in the range from \$9 to close to \$11 depending on the cashier in the garages. That is based upon years of service and a few other things. If I can interject here for a second, I just want to make something clear. In regards to the prices for the gentlemen, they were on target on how they do theirs. You have to realize another thing, too, that we have experienced over the years...it is hard to keep people at \$7 or \$8/hour. That is what we found in the City of Manchester. Over the years it has risen to \$8.50 or \$9 and some are now even \$10. They based their numbers on good findings and what they had was a bottom line and they worked with the bottom line. Thinking about that \$150,000 now, I believe at the time we were all talking about almost a \$100,000 in savings. This other \$50,000 or \$60,000 I think was added to that because of the workman's compensation that they are working on right now.

Alderman O'Neil responded it is called revenues and there is no back-up information on how it was derived.

Mr. Lolicata stated the savings that these people came up with was \$100,000.

Alderman Guinta asked so your assessment is that in Manchester we could pay less than that. You said it was around \$7/hour.

Mr. Clemons answered between \$6.50 and \$7/hour. These are market conditions based upon each individual market. Obviously we don't have a presence in Manchester so we are not able to make that determination right off the bat but again these numbers are your recommendations. If we come in and say this isn't going to work at \$6.50 or \$7.50/hour and we say we need more, it is your determination as the governing Board to tell us if it is okay to spend more or not. That is your decision, not ours.

Mr. Lambeck stated I think what you will find also is this is a management account and you have full control over what the rates of pay will be, what the rates in the parking garages will be...when it comes down to it at the end of the day it is a market driven situation. If the real rate of pay is \$11/hour for a cashier, Republic is going to have to pay that, LAZ Parking is going to have to pay that and Central Parking is going to have to pay that.

Alderman Guinta stated we have had discussion about the amount of involvement that the City has had and there is discussion on whether we should have involvement with a management company or whether we should let a management company do their job and I think there are some conflicting concerns. My position would be, you are the expert, we will let you do the job and if you tell me you can get someone there at \$7/hour and they are an above average to an exceptional worker and you can get that, then that makes sense to me.

Chairman Sysyn stated I think the problem with the \$7/hour is like when the janitors got let go and we had a private company take over and they wanted to hire those janitors back it was for less pay. People ended up without jobs and I think that is probably the worry of some of the members of this Committee.

Alderman Guinta replied I know but we have a pretty low unemployment rate in the City of Manchester and the State of NH and I would think that unemployment really wouldn't be a serious issue. We have a less than 4% unemployment rate in the State right now, which is much lower than the national average.

Alderman Lopez stated I have two things. I believe that in Charleston, SC you have a partnership there and that is where you indicated that you increased revenue by \$1 million without raising rates and you reduced operating expenses by \$150,000. I believe that is where the \$150,000 savings came in, by reducing operating expenses at that facility. This was achieved by simply comparing those cards entering and exiting the facilities. Is that in the garage business normally where you can save on operating expenses?

Mr. Clemons replied let me just clarify that one. There are two separate issues in Charleston. One is the \$1 million revenue increase that we achieved in their 20 facility parking system and that was largely due to doing card audits and making sure that everyone who had a valid access card was actually being billed the correct rate. There were a number of people being billed the wrong rate. There were a number of people not being billed at all but they were still parking in the garages. By tightening up the controls on all 20 of those facilities, the very big system they have, we did achieve a \$1 million revenue increase in our first operating year. The expense savings is a whole other issue there. That was based on consolidating the management team, tightening up the maintenance crews and trimming the operating hours to match up to the actual business. In other words, there is no reason to open a garage at 6 AM if there is no business there. Maybe we can delay that an hour or two so we do utilization studies of each garage to determine when the business is actually there and staff according to that utilization.

Alderman Lopez stated I think that is where the \$150,000 really comes from. The last question I have is you indicated that Republic offers incentive programs to its employees where they can earn points and transition dollars for arriving to work on time, etc. If you are paying \$7, \$7.50 or \$8 an hour are you implying that an employee could make \$10 if they qualify for that and is there a surplus line that you keep for those incentives.

Mr. Clemons replied on the surplus line I can't say that there is some sort of holding account or anything like that. I don't believe that is how we work it but yes with the incentive programs they can earn more than their posted rate of pay if they perform well.

Alderman Lopez asked in your facility what is your turnover rate.

Mr. Clemons answered it would vary in every city in the country.

Alderman Lopez asked what is the average.

Mr. Clemons answered I know of facilities where we have zero turnover all over the country and I know of facilities where we have 20% or 30% turnover.

Alderman O'Neil stated I just did some quick math. I know there are 12 employees and I am guessing two are called managers so I believe there are probably 10 employees that are hourly. My point being ballpark roughly 21,000 hours that they will work in a year. If you add \$2/hour that is \$42,000 and there goes half the \$100,000 without even counting the manager's salaries in there. I am not blaming you guys. I don't think you were presented with all of the information to base this on. I don't think you are going to get anyone to work for \$6.50 or \$7.25 an hour. I just drove by a McDonalds the other day and they had a sign up for \$8/hour. I think that information on what the employees are currently paid should have been shared with you.

Mr. Lambeck replied I appreciate your comments and I understand them completely. Believe me we operate in a market driven business just like McDonalds or anyone else and if the market rate for cashiers is \$8/hour we are going to have to end up paying that one way or another and you are right in that respect but so will every other parking operator who may be running the facility for you.

Alderman O'Neil responded but that would eat into the potential \$100,000 savings then.

Mr. Lambeck stated again it is a market driven thing. It is going to be what it is going to be. There is not a whole lot we can do about it to artificially lower it.

Alderman Garrity stated maybe Tom can answer this for me. Do the current employees at the garages have benefits like paid sick leave, holidays, etc.?

Mr. Lolicata replied yes the company provides for that. They have the same days that we have off in the City.

Alderman Garrity asked do you folks offer those types of benefits at all to your employees.

Mr. Lambeck answered yes. We have a reasonably comprehensive benefit package. I don't know how it compares to the existing Central Parking package but it is very similar.

Alderman Osborne asked what do you have to offer compared to the other two firms.

Mr. Lambeck answered I think what we have to offer is an extension of our success stories in other places. It is small, nimble management and the ability to pay more attention...

Alderman Osborne interjected money-wise. This is the name of the game. There is nothing there, right?

Mr. Clemons stated I think again money-wise where you have to look is first can we operate it more efficiently, not necessarily pay wise but in staffing levels. That is something we would look at. We are not going to come in and do something different. But also I think when you are looking apples to apples you have to look at what the management fees are. That is what we are bidding. We are not bidding the electrical bill. The electrical bill will be what your electrical bill is. It will not change with Republic Parking coming in.

Alderman O'Neil stated I just want to make sure I am clear. You are talking about the same number of people? You mentioned something about staffing levels. You are talking about the same number of security people on duty working the same hours, etc.?

Mr. Clemons replied yes. The question was how could we save money over the long haul. What we would do is come in at whatever staffing level you recommend and then come back to you and say this is our recommendation.

Alderman O'Neil asked but that is based in the figures you presented, the current staffing levels working the hours they are working.

Mr. Clemons answered correct.

Chairman Sysyn thanked them for coming.

b) LAZ Parking

Mr. Jeffrey Karp stated I am President of LAZ Parking. I want to thank you for inviting me. By way of introduction, LAZ Parking is a regional parking management company with 150 facilities in our portfolio concentrated in the northeast. Our calling card, if you will, is we are a hands-on management company locally owned and intimately involved with the facilities. Municipal parking to us is common background and as an introduction to the City of Manchester we have been working with the Traffic Department and the City leaders, validation people and shopping people, for the past two years. We have a local client here and we consulted with their garage in terms of integrating it with the Verizon Civic Center events and daily and monthly parking. For us, this is my first exposure actually to the question of whether there would be expense savings on this proformer or the RFP. Just so we clearly understand it, in this industry that is not magic. If, in fact, I would challenge you to think long and hard that if Republic is going to do that or Central is going to do that, we could do that tomorrow. It really does truly get down to the management fee. I think the difference...what we bring to the table is that we have been in business for 22 years and as owner and President I am not going anywhere. You are going to see the same face for the next 20 years or however long we are involved in this contract. If Republic or whoever the company is coming up here saying it is going to be \$50,000 or \$75,000...there is no magic to that. We can do that tomorrow too. It is efficiency, it is pay rates, etc. I think what we would strive for in this system is to bring continuity to the existing employee pay raises, the base that they are at today. To bring continuity by retaining the personnel in place. Be creative with the marketing side to drive the revenue up and enhance it. Look at the customer service; look at the repair and maintenance and all of the other aspects in terms of an operating standpoint. Whether it be professional fees, general liability, worker's compensation, it is all the same quite frankly in this industry. I can do that tomorrow for you as well. It comes down to service and it comes down, in my opinion, to being intimately involved and being engaged in the system. I think that is the real difference that you as a panel have to really consider and look at. From the economic standpoint, this is new to me. I have heard rumblings in the past how this RFP was put out but whether it is going to be \$150,000 or \$200,000, I could do that for your tomorrow. There is no magic to that so to speak.

Alderman Osborne asked and there is no guarantee.

Mr. Karp answered there is no guarantee; that is correct.

Alderman Forest stated I know Republic gave us what they are charging for management fees. What is your charge?

Mr. Karp replied I think we were at \$27,000 on an annual basis.

Alderman O'Neil stated just for clarification, the hours of operation you based your fees on are what currently exist.

Mr. Karp replied that is correct.

Alderman O'Neil asked no changes there.

Mr. Karp answered no.

Alderman O'Neil asked how about staffing levels.

Mr. Karp answered no changes.

Alderman O'Neil asked and the hours the staff is working is the same. Do you know, off hand, what you based your hourly pay on for the employees?

Mr. Karp answered I believe we were in the \$8.50 to \$8.75/hour range.

c) Central Parking

Mr. Ed Crean, Sr. Director of Operations based in Boston. I have some handouts for you. We have two pages, which will answer all of your questions regarding the current salaries being paid at the garage as well as the fringe benefits and then we have an additional package which will give you a hands on copy of all of the information I am going to place before you. This first chart really deals with vehicle counts. I have heard comments in the past that there may possibly be additional savings in scheduling and staffing. That first sheet that you will see in the packet will give you those counts and this will tell you between both garages, Victory and Canal, the counts for cars in and tickets out and tickets in and tickets out and it will do it by the hour. It will start at 6 AM and that will cover from 5 AM to 6 AM and then from 6 AM to 7 AM and 7 AM to 8 AM. As you can see at Canal on the ticket out total there is no activity until between 7 AM and 8 AM and that is on a daily basis. In Victory, you don't have any activity until 7 AM and that is less than one car on a daily basis. The second page will show you the current staffing. The top section breaks down the number of positions and this is strictly for staffing in the garage – cashiers, maintenance, security and management. It gives you the day of the week and the shift hours for each of those positions. The bottom portion, this is the shaded portion, this will show you a coverage. Who is on duty, at what time and where the duplications are. The supplemental two-page handout that we gave you gives you the current payroll. That is what we are experiencing right now. That is current salary plus fringes of about 24.5%. In looking at the coverage schedule, assuming that the Board is in

agreement with these changes, we can cut one hour from each cashier for the first shift where they will open at 7 AM instead of 6 AM and eliminate the four hours of duplicate coverage from 3 PM to 7 PM. Additionally, with the two maintenance positions we can cut one hour per day for roughly four hours per week. Total savings would be about \$27,000. That is on existing staffing levels. One thing you have to keep in mind and we do indicate it in that two-page handout is there is no provision on this schedule for snowplowing, which is roughly 240 hours nor for event scheduling, which is three hours per cashiers for two cashiers for 80 events over the course of this season. Also included in that handout are the costs for vacation and sick time. The next page concerns the budget. This is the 2002-2003 budget broken down by garage. The first column under each garage is the submitted budget. These are the budgets that we presented to the City. The second column is the approved budget. Those are the line items that were approved by the City and sent back to us for recording purposes and the highlighted numbers on your sheet by line item will show you those numbers that deviated plus or minus from what was presented. The net difference at the bottom is \$96,000. It is \$48,000 per garage. This is the current budget that we are operating under. The last three sheets will show you what the current operating performance is for the first four months ending October 2002. The first one is for Canal Street. It gives you this current year versus the budget and the plus or minus variance and on the right hand side it gives you the prior year and the variance. At this point in time, for Canal Street on a cash flow basis we are \$7,400 behind last year's activity. However, on the expense side we are \$4,000 better than budget. \$72,000 versus \$75,600. At the Victory garage we see a \$32,000 positive swing in revenue. We see a \$5,000 improvement in expenses and a \$37,000 improvement in cash flow. The last sheet in your handout is the combination of both garages – where they currently stand. Revenue is \$7,800 prior to last year. Expenses are \$21,000 less and that incorporates the changes with the electricity. When the garages were redone those numbers were reflected in the budget. Operating to budget we are \$1,100 under that reforecasted budget that already reflects a \$96,000 savings. Bottom line cash flow is improved by \$29,800. That is the current status of the parking facilities.

Alderman Guinta stated I have two questions. First of all, the savings or the efficiencies that you identified is that going to reduce in any way income and secondly what can we do particularly to increase the number of cars that get into these garages?

Mr. Crean replied there is a potential loss of revenue in the early morning hours. The daily average is .7 in the Canal Street garage and .4 in the Victory garage so you are basically talking about one passed ticket. That doesn't preclude that there won't be other parkers who realize that the garage isn't staffed on exit at those hours and will make an attempt to leave early, thus avoiding payment. You also

have the same condition at the end of the day in closing at 10 PM. For those people who park there and go out on the town or go to a restaurant or go to a civic center if we are not staffed beyond 10 PM they simply wait and then leave the garage at that time. You do have a potential. The only way to really offset that is to collect on a prepay basis as we do for the events so that you get your money and you are not worried about when they leave but you would have to do that for all parkers. The other way...there are a couple of other ways of approaching it. You could stay open longer with staffing, which means that you will have to do a cost benefit analysis to see how much revenue is really received versus what it costs you to collect. You could also investigate the viability of pay on foot machines, which are similar to ATM's, however they run in the \$50,000 to \$60,000 range. They do have simpler park and display systems that are available; however, you have to look at the total method of operation for the parking garage in order to involve it into your overall traffic and revenue control system.

Alderman Forest stated I have two questions. One, what do you charge the City for management fees?

Mr. Crean replied in the proposal we are charging \$24,000.

Alderman Forest asked the hourly rates that you give to your employees, do we as a City set that or do you set that. I notice that you said you pay them from \$8.75 to \$11/hour.

Mr. David Waldecker stated I am the City Manager for Central Parking. Yes, the Traffic Department gave us a list of who would make what and we are following that.

Alderman Forest asked how long have you been managing the garages here in Manchester.

Mr. Waldecker answered since April of 1988.

Alderman Guinta asked why do we tell you how much to pay these employees. Does anyone know that?

Mr. Crean answered this is what we call a management agreement. We will make recommendations as to what the salaries should be and we will make recommendations for increases but ultimately we seek the approval of the property owner or property manager prior to issuing those increases. That is just the norm of the business. It is your money and we won't spend it until you approve it.

Alderman Guinta asked is that a standard in other cities. Do you have similar agreements where cities tell you how much you should be paying the employees?

Mr. Crean answered in the municipalities and I have had experience with the city of Lowell and the city of Salem, and the city of Worcester and we also operate in Nashua and they are very active. Some of the people who work in municipal parking facilities are ex-municipal employees so they quite often are frozen at their current salaries and their current level of benefits. We have a number of cities that create a schedule. It usually ranges out about five years. It is done with steps and it is approved by the Board of Aldermen or City Council in advance and the increases are already programmed over the course of those five years. There is a range for each step but once you reach the end of the fifth year you are maxed and if they choose not to give you any kind of COLA or redo the schedule, that is it.

Alderman Guinta asked is that an effort to try to keep costs down.

Mr. Crean answered I think down is probably not the correct word. I think controlled is a better word.

Alderman Guinta stated it doesn't seem like in this City we are controlling costs by setting a pay rate. To me it appears like we are actually increasing costs because everybody seems to think we can pay...at least the experts like you and the other two groups seem to think that we may be able to pay a little bit less in this particular City then what we are telling you to pay these employees or is that not a fair statement?

Mr. Crean replied it is a fair statement on its face. I don't particularly subscribe to it.

Alderman Guinta stated here is what I am getting at. I want to pay somebody what is fair and if fair is \$8 and we are telling you to pay them \$11, that doesn't make us good managers or administrators.

Mr. Crean replied right. You have some people here who have length of service so they are a little further up on the pay scale. \$8 is not unheard of as a starting salary. When you get down into Boston you have people who are making \$10 to \$15/hour depending on their position. We are talking cashiers and we are talking...

Alderman Guinta interjected but that is Boston.

Mr. Crean replied that is correct.

Alderman Lopez asked have you done an analysis on how much money we are going to lose from the parking spaces that PSNH had at Canal Street. Didn't they have a number of spaces at the Canal Street garage and then they moved?

Mr. Waldecker replied they park across from the Canal Street garage.

Alderman Lopez asked they didn't have any spaces in there.

Mr. Waldecker replied PSNH didn't have any monthly parking with us.

Alderman Lopez stated and we are at a 50% level roughly for the last three months. Is it customary for garages to get into long-term agreements? For example at the Victory Street garage where we rent out 70 spaces I believe at \$30/month?

Mr. Crean replied there are all kinds of agreements. The standard parking agreement is a 30-day tenant at will type of parking agreement. We do get into annual contracts with companies. We do get into annual contracts with the government. We do get into annual contracts with individual states. There is the possibility for all those kinds of deals and you can do it effectively. You can discount your rate. You can base it on the number of vehicles. If you had a business that was coming into the area and they took say 50,000 square feet of commercial space and they didn't have parking readily available you could work a deal of two spaces per 1,000 and give them a discounted rate.

Alderman Lopez asked but you wouldn't give somebody a 20 year...

Mr. Crean replied I wouldn't say I wouldn't. If, for instance in downtown Boston parking spaces are going for \$65...

Alderman Lopez interjected we are talking about Manchester.

Mr. Crean responded I understand. If you wanted a 20-year deal and you wanted to pay me up front we could talk.

Alderman Lopez replied I understand that but if I gave you \$30 a month for 20 years would you enter into an agreement like that.

Chairman Sysyn asked are you talking about the 70 spaces that they rented from...

Mr. Crean stated I would put some escalators in it.

Alderman Lopez stated there has been some conversation...do you think the Aldermen micromanage you. Do you bring recommendations before this Board and do we turn you down every time and stop you from managing the garages in the City of Manchester?

Mr. Crean replied David could probably answer that better than I could. I will answer for myself. It is not uncharacteristic of our relationship with a municipality to be a resource where they come to us like you are doing right now. You are asking for advice. That is included in that fee. That is a ready resource. We can supply that information. Would you do this deal for 30 years or whatever? We would supply that information or our opinion. We do make recommendations. Do they get accepted? The answer is not necessarily. It depends on how much money is available.

Alderman Lopez responded I understand that. Have you made recommendations and have we micromanaged the garages?

Mr. Waldecker stated I don't really know as much from the Board standpoint but I have made several recommendations over the years that eventually over a certain period of time have taken place. Most recently was the no prepays once the civic center opened up. That was pretty much cast in stone. We finally voiced our opinion strong enough and it got passed. Even when we first came in here in 1988 we had parking rates that had to go on a billboard to fit. It was so confusing that a lot of people didn't understand it so we recommended changing it and over time eventually we got it changed. We have recommended the "early bird specials". We have tried that and it wasn't really a big seller here. The civic center...when this parking fee came up I typed up a little sheet of what I thought would be the going rate around town and the next thing I knew the rate we are on now was passed along with the no prepay. Stuff like that. Over the years our recommendations seemed to fall on deaf ears somewhat. We did simplify the parking rate. It is 50 cents an hour straight up to a \$6 maximum. That is nice and simple and everyone can figure it out. So yes I have made some recommendations that you have adopted and others have just gone by the wayside.

Alderman Guinta stated I am looking for a more specific answer to Alderman Lopez's question. Does this Board or does this City micromanage you, either through our interaction with you or through the management agreement? I understand what you are saying that you have made suggestions but that is not micromanagement. You are suggesting to us and we either do it or we don't do it but do we micromanage you? Are we letting you do your job or is the management agreement precluding you from doing your job effectively? That is what I would like to know and I don't know if that is more what Alderman Lopez was getting at but I would like to know that. Does this Board or does this

Committee or does the management agreement preclude you from doing your job effectively?

Mr. Crean replied not from day-to-day operations. It is not micromanaged to that extent. This Board doesn't do any more than a private commercial property owner. They all control the rates and they have the final say. They all control the hours of operation and they have the final say. There is really nothing different here.

Alderman O'Neil stated just to follow-up on this recommendation part of it though there are certain items...unless there is a need for an ordinance change for the most part it wouldn't come to the Board of Mayor and Aldermen. Am I correct? Some of the day-to-day operation changes, that is all in your agreement with the department. You don't make recommendations to the Traffic Committee of the full Board of Mayor and Aldermen on a regular basis. The majority of your recommendations are made to the Traffic Department, which is the agency that oversees your contract. Am I correct with that statement?

Mr. Waldecker replied that is correct.

Alderman O'Neil asked so with regards to oversight, the majority of the oversight is with the department, not with the Board of Mayor and Aldermen.

Mr. Waldecker answered yes because I report directly to Tom Lolicata.

Alderman O'Neil stated if I can I just want to follow-up on some questions that I asked the other two firms. The pay per hour for employees is based on what in your proposal?

Mr. Crean replied existing pay rates.

Alderman O'Neil asked which is as Tom mentioned between \$9 and \$11/hour is that correct.

Mr. Crean answered it is outlined by position on the two-page handout.

Alderman O'Neil stated we didn't have enough copies and we were sharing. Is it \$9-\$11/hour?

Mr. Waldecker replied our first time hires are at \$8.25/hour.

Alderman O'Neil asked and you based your proposal on the same hours of operation that currently exist.

Mr. Waldecker answered yes.

Alderman O'Neil asked and the staffing level is the same as it is currently.

Mr. Crean answered that is correct.

Alderman Guinta stated you said you reported to Tom Lolicata. Does he micromanage you? Yes or no?

Mr. Waldecker replied no.

Chairman Sysyn stated thank you for appearing before us.

Deputy Clerk Johnson stated for the record I wanted to point out that we did distribute to Committee members a letter addressed to the Board of Mayor and Aldermen regarding the Center of NH parking garage lease.

Alderman Lopez stated I would like to ask Mr. Kevin Dillon to clarify something. I am trying to understand the letter and conversation that took place in reference to garages. Could you give us a perspective of the garages at the Airport versus the garages in Manchester as to the agreements?

Mr. Dillon replied in a lot of respects you cannot compare the arrangement at a garage that serves a downtown municipal area versus a garage at an Airport. They are completely different markets. You are marketing the services to a completely different constituency. The arrangement that we have at the Airport is a very good arrangement for the Airport. We feel very comfortable with the type of management contract that we have. We feel that it is a very lucrative financial arrangement for the Airport and that is why we have recently extended the option out at the Airport.

Chairman Sysyn asked does anyone have a motion on what you would like to do.

Alderman Forest stated I know that Mr. Waldecker and his group had a very good presentation but I was trying to keep things, at least from my perspective, a little fairer. I was listening to the other two proposals and I was listening to Mr. Waldecker. I believe that Mr. Waldecker, at least in my opinion from what I have heard tonight and some of the things I have read, has done a decent job. I realize that all of these people can do improvements. He is paying a little more for his employees than the other two. His management fee is higher than one but lower than another one. I was wondering and maybe I have to make it in the form of a motion that we just stay with Central Parking and offer them a one-year contract

and see if we can get some improvements. If not, then...I want to move that we stay with Central Parking for one year.

Alderman Osborne duly seconded the motion.

Chairman Sysyn called for a vote on the motion. The motion carried with Alderman Guinta being duly recorded in opposition.

Mr. Lolicata stated by one year you are talking November to November. Those contracts are based on a fiscal year of June 30. It can be done. It will be a special agreement until November...

Alderman Forest interjected I think it is something we can work out with the Solicitor's Office.

Mr. Lolicata stated, Tom, I think that is all right. It is like an extension to the contract itself. We would just go from November to November in a case like this.

Deputy Solicitor Arnold replied that or as the RFP reflect you could sit down and negotiate the contract with the understanding that the Committee is recommending one year.

Mr. Lolicata responded right now from the last meeting they are extended the contract, I believe, until December 7. That was the last I heard. We either go from December 7 to December 7...

Chairman Sysyn interjected also Central Parking needs to accept this contract for one year.

Deputy Clerk Johnson stated my suggestion would be since there are some unclear things going on here that we get a new motion on the floor with regards to this one year contract because it is my understanding that there was an RFP issued for five years and you are really negotiating to offer a one year contract.

Alderman Forest stated I can amend my motion.

Deputy Clerk Johnson stated you have already taken a vote on it so at this point you would actually rescind what you just did and we would put something better on the floor that is going to be more clear to everybody. That is a recommendation that would have to go out to the full Board. The Committee wouldn't have the authority to act on the contract. It is a recommendation we will bring in.

Chairman Sysyn asked he has to rescind the motion that he made.

Alderman O'Neil asked couldn't they extend the current contract one year or whatever the months are and reject the RFP. They don't have to accept the proposals.

Deputy Solicitor Arnold replied yes I believe that the Committee could reject all bids and if they desired extend the contract under the procurement code for a period of one year at the same price.

Deputy Clerk Johnson stated I just want to note that the proposal that came in under the RFP is not the same agreement so you may want to do the one year rather than extend.

Alderman Forest stated let me explain myself. I know we have been discussing that Central is costing us money here and there but I don't think Central has been getting a fair shake because they worked it out and everything else and I think they should be extended and we should at least let them try to finish this. How do I make the motion to do that?

Alderman Guinta asked finish what.

Alderman Forest answered they were supposedly...we got the information that they were losing money and I don't think that was fair to them or anybody else so I just want to give them a year to run that garage the way they should run the garage.

Chairman Sysyn stated and also with our putting the rates up it will make a difference if we can put those rates up.

Alderman Forest replied well that is another matter for another time.

Deputy Clerk Johnson stated can I suggest that the Committee recess to meet with counsel.

Alderman Shea asked don't our revenues run from June to June and wouldn't it be more conducive to do something that would help us with the budget.

Chairman Sysyn called for a recess to meet with legal counsel.

Chairman Sysyn called the meeting back to order.

Deputy Clerk Johnson stated as I understand it from discussion with counsel there should be a motion made to rescind the previous action of the Committee.

Alderman Forest moved to rescind the previous action passed by the Committee. Alderman Osborne duly seconded the motion.

Chairman Sysyn called for a vote. There being none opposed, the motion carried.

Deputy Clerk Johnson stated and then we would want a motion to reject all of the responses to the RFP.

Alderman Forest moved to reject all of the responses to the RFP. Alderman Osborne duly seconded the motion.

Alderman Guinta asked what is the motion.

Deputy Clerk Johnson answered to reject all three proposals to the RFP.

Chairman Sysyn called for a motion. The motion carried with Alderman Guinta being duly recorded in opposition.

Alderman Forest moved to extend the contract with Central Parking for one year. Alderman Osborne duly seconded the motion.

Chairman Sysyn called for a vote. The motion carried with Alderman Guinta being duly recorded in opposition.

Deputy Clerk Johnson stated we would just advise that these are recommendations that would go to the Board. There is one other item of business. I just wanted to note that the letter from JPA is something that the Committee should consider directing someone to follow-up with and negotiate. I just want to make sure that the Committee understands that this is something that needs to be negotiated out.

Chairman Sysyn asked who would negotiate with them.

Deputy Clerk Johnson answered normally it would be Traffic, Solicitor and perhaps Jay Taylor.

Chairman Sysyn stated so we would have to direct Traffic, Solicitor and Jay Taylor to negotiate with JPA.

Deputy Clerk Johnson replied yes in response to the communication dated September 17. We would like a motion and we will make that as an informational item to the Board.

On motion of Alderman Osborne, duly seconded by Alderman Garrity, it was voted to request the Director of Traffic, the Director of Manchester Economic Development Office, and the City Solicitor to negotiate a parking garage operating agreement with JPA III Management Company, Inc. for the Center of NH.

There being no further business, on motion of Alderman Garrity, duly seconded by Alderman Forest, it was voted to adjourn.

A True Record. Attest.

Clerk of Committee